



**AMERICAN SAMOA GOVERNMENT
ACCOUNTS PAYABLE POLICIES AND PROCEDURES MANUAL**

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1. GENERAL

The purpose of this manual is to describe the existing policies and procedures that have been established at the American Samoa Government's Treasury Accounts Payable division and to serve as a reference guide for the government and community.

2. POLICIES and PROCEDURES

2.1 Controller Review

All supporting documentation including but not limited to invoices, statements, vouchers, contractual agreements, and receiving reports will be reviewed by the Controller or his designee and the voucher will be signed by the appropriate reviewing person. Expenses will also be reviewed for assurance that they are being paid from the proper account. There will be a minimum allowance of 24 hours for such signatures and approvals. The Controller or his designee (normally the Treasurer or Deputy Treasurer) will determine, based on aging, which payments will be prepared for disbursement.

In the case of payments under existing contracts, the contract must also be reviewed by the Controller prior to payment. As Travel is generally approved and awarded 30 days in advance, travelers should not wait until the final days to seek approval and payment of their TA.

2.2 Department Responsibility

Each department is responsible to assure that invoices reach the Accounts Payable office in a timely manner. It is **not** the function of the vendor to bring invoices to Accounts Payable. *Original* supporting documentation must accompany each request for payment. **Faxed copies in general are not considered original.**

It is the duty of each department to assure that all steps in the purchasing through payment process is followed in a prompt manner with proper authorization for transactions and all supporting documentation for payment prior to any submission to Accounts Payable.

For payments to be valid, the vendor must hold a copy of the purchase order. Without such, vendors risk the chance of not being paid for transactions. Only genuine documented invoices will be paid; this office will not pay from statements. Each invoice must include full documentation of the items purchased, procured, or service rendered. For example, if a printer is purchased, the brand name, model/model number and serial number must be included on the invoice and assurance that the item was accepted must

be clearly documented in the receiving report. *The location of the item purchased must also be clearly stated in the receiving report.* If proper documentation is not included with the payment voucher, Accounts Payable will not process payment. The department will be notified to provide proper paperwork. Authorized departmental signatures are required. Any documentation without the appropriate signature will be forwarded back to the originating department for compliance.

If Accounts Payable has lost or misplaced documentation, AP will request and certify copies from the departments for payment and Treasury records.

2.3 Direct Payments to Vendors

To expedite certain payments a direct payment voucher or quick purchase order (QPO) can be utilized at the discretion of the Department Director or Agency Head. The direct or quick payment voucher may be used under specific conditions but never to avoid Procurement or Property Management policies or the Federal Common Rule for purchases under grants or federal award. The direct or quick payment vouchers **will not** be accepted for equipment or payroll type payments but generally only made from a Materials & Supplies account or from "Other Expenses."

Payments made under the direct or quick payment voucher may include but are not limited to:

- Dues and membership fees and periodicals
- Scholarships
- Utility bills
- Office equipment repairs
- Non-employee compensation
- Settlements and claims
- Insurance claims
- Reimbursements
- Small office supplies not available with the Procurement Office in Stores Inventory
- Farmers' produce for School Lunch program

Direct payment vouchers or QPOs are routed from the department to the Budget Office for availability of funds and for an identifying number, beginning with Q. The QPO is then forwarded to Treasury for payment. Because the QPO is not routed through Procurement, departments are responsible for documenting that items were received.

2.4 Advance Payments to Vendors

Generally, goods and services provided to the Government are paid after receipt. On occasion it may be necessary to provide a known and reputable vendor with an advance payment (prepayment). This section describes (A) general provisions regarding advance

payments, (B) suggestions for purchase order notation, (C) submission of invoice, (D) accounting reconciliation, (E) receiving and documentation, and (F) needed approvals.

2.4.1 General Provisions

Advance payments or prepayments shall be avoided whenever possible. It is always a prudent business practice to not pay for goods or services until they have been received and in good order or rendered satisfactorily. Also, the Government may suffer loss of interest on funds used to make advance payments, especially if delivery of materials or performance of services is to take place at some future date.

Exceptions to the policy *may* include:

- Foreign orders
- High-cost equipment manufactured to meet functional specifications
- Books, periodicals and newspapers, including trade and professional publications
- Caterers for food and beverage service for large official functions where the caterer requires a deposit
- Charges for research expeditions including transportation and expenses
- Maintenance service contracts
- Vendors who offer and demonstrate substantial payment discounts
- Membership dues
- Seminary/conference registrations

2.4.2 Purchase Order

The total amount of the purchase order shall include the value of the advance payment and a full description of the refund policy.

2.4.3 Invoice

Companies to whom an advanced payment is to be issued must provide an invoice (or written confirmation of total cost, including taxes, freight, handling) for the full amount of the advance payment prior to the issuance of the advance payment. Advance payments issued to individuals must be supported by documentation indicating the need for advance payment.

2.4.4 Accounting Reconciliation

Advance payments issued to companies are charged directly to an expenditure account. All advance payments must be reconciled to assure proper payment of goods and services.

2.4.5 Receiving and Documentation

Departments and/or Procurement will be responsible for receiving the goods/services associated with the advance payment and for collecting and processing all supporting documentation. This supporting documentation must be forwarded to the Accounts Payable Office where the advance payment is issued.

2.5 Vendors

All vendors are required to provide their taxpayer identification number (TIN) to Accounts Payable using IRS Form W-9 for payments exceeding \$600 annually. Corporations, partnerships, other government, non-profit organizations including churches, and individuals must all meet this requirement. Form W-9 can be obtained on the Internet at www.irs.gov or by picking a copy of the form and instructions up at the Disbursing, Tax or Accounts Payable Offices.

Vendor files are used to assemble IRS Form 1099 information filed at the end of each tax year. This information may be shared with the American Samoa Tax Office and the Internal Revenue Service. Generally, non-profit organizations are required to file Form 990 annually.

Payments to vendors failing to properly meet proper filing requirements may be withheld.

3. ROUTING AND PROCESSING

3.1 Payment Process

The payment process involves the following elements:

- Proper supporting documentation: proper invoice, proper obligating document (purchase order or contract/lease), proper receiving report or special certification on contracts. **Except for purchase orders, all documents must be originals.**
- Accuracy of payment: authorized expenditure, goods or services received, delivery of goods or service in accordance with terms of agreement, authorized approval for payment, payment in accordance with terms of agreement, payment not a duplicate, vendor name and address is accurate, quantities, unit prices and amounts are correct, payment amount is the same as requested on obligation.
- Legality of payment: appropriate fund cited and authorized for payment, payment in accordance with ASG laws and regulations, grant payment in accordance with federal guidelines, obligation/encumbrance incurred during time of appropriation.

3.2 Routing of documents

Each government agency is responsible to route their documents through proper channels before Procurement Office sends copies of purchase orders to the Accounts Payable Office.

3.2.1 Purchase Orders

ASG agencies initially route their buying with a purchase requisition (PR) through the Budget Office. The Budget Office checks the availability of appropriation before a PR is entered into the finance system. The PR is then forwarded to the Procurement Office for a purchase order (PO). Procurement sends AP the PO, invoice and receiving report (R/R) which are logged and filed for matching.

A three-way matching of all POs to appropriate invoices and receiving reports is performed in which documents are then distributed to designated staff for accuracy check. Invoices and R/Rs are audited against the purchase order number that is referenced for correct vendor name, ID, remit address, items, price, quantity, and terms. Partially received orders as indicated by the R/R are filed into PO partial files for complete receipt of back orders. Change notices must be requested by the originating department and routed through Procurement for any changes in order or increases in payment. If all is in correct, payment vouchers are prepared and forwarded to the AP manager for verification; segregation of federal grants and local funding payments are also with the AP manager.

The AP manager sorts and prepares the payment listing by organization fund which is forwarded to the Grants division via Comptroller on Mondays, Wednesdays, and Fridays.

After Comptroller review and approval, the Grants division submits their list of draw-downs to AP for check processing every Tuesday and Thursday.

Vouchers are batched by fiscal year and fund and assigned a batch control number. Once input into system, batches are posted into the General Ledger. The AP manager selects vouchers for payments and forwards the report to the Treasurer for check issued approval. The approved report and vouchers are forwarded to the Disbursing Office for check printing and disbursement. (Local funding payments are pending in AP system for the availability of local funds as approved by Treasurer).

3.2.2 Purchase Orders – Request for Advance Payments

Request for advance payments are handled the same way as regular POs except an Approved Request for Advance Payment form by the Chief Procurement Officer is also required.

3.2.3 Quick Purchase Orders

Quick Purchase Orders are completed by ASG agencies and submitted to the Budget Office with authorized department personnel signature and attached invoices. When a payment is approved, the QPO is assigned a QPO number, entered into the system and a requisition is printed then forwarded to AP for processing. (Refer to PO payment processing).

3.2.4 Contracts

Request for Bids are submitted to the Procurement Office for bidding. Once the bidding process is complete, contracts are drawn and signed by the originating department director, Attorney General, Budget Director and Chief Procurement Officer. Copies of contracts and invoices are forwarded to AP for payment processing.

3.2.5 Contracts – Dept of Public Works

Requests for bids are submitted to the Procurement Office. Selected contractors are forwarded to Public Works for approval. Contracts and invoices certified by the Public Works Project Engineer are sent to AP for payment.

3.2.6 Housing Leases

Requests for use of private-owned housing are submitted to the Department of Administrative Services. Once approved, lease agreements are drawn and forwarded for appropriate signatures from the Governor, Attorney General, Budget Director and Chief Procurement Officer. Copies of leases and invoices are sent to AP for payment processing.

3.2.7 Airport Leases

Land lease approvals are submitted to the Attorney General's office. Once approved, drawn lease agreements are forwarded to the Port Administration Director, Budget Director and Chief Procurement Officer for appropriate signatures. Copies of leases and invoices are sent to AP for payment.

3.2.8 Travel Advances

The Travel section of AP is responsible for processing all travel advancements. A travel authorization (TA) is sent to the Travel section from various government agencies. Staff members then assign TA numbers and calculate per diems based on itineraries attached to the travel authorization forms. TAs are then forwarded to appropriate departments for required approvals and reviews (Budget Office, Governor's Office, and Treasury. *See Appendix B for TA routing process*). When TAs are returned to the Travel section and the travel supervisor has performed a final accuracy check, TAs are keyed into the system. Similar to the PO process, TAs ready for payment are listed on a selection report that is approved by the Comptroller or designee. After the check run, the selection report is sent to the Disbursing division for their verification and check disbursement process. *See Travel and Transportation Policy Manual.*

3.2.9 Payroll Deductions

Payroll deductions occur with every pay period. The Payroll division provides AP with a list batch of deductions. AP selects the batches through the system and prepares a selection report that is forwarded to the Comptroller for approval. When approved, a check run is performed and Disbursing receives the selection report for their verification and check disbursement process.

3.2.10 Immigration Bond Refund

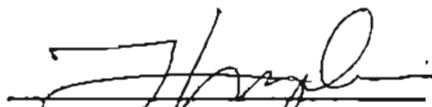
An immigration bond refund begins with an original receipt accompanying a letter from the Attorney General's office requesting a refund. The letter is sent to the Treasurer for approval which when received by AP, a direct entry voucher (DEV) is created to process the refund. The DEV will be listed on the selection report approved by the Comptroller for payment.

3.2.11 Tort Claims

See Immigration Bond payment process.

4. AUTHORIZED BY

This Accounts Payable Policies and Procedures Manual is in full force. Any amendments shall be authorized by the Treasurer of the American Samoa Government.



Magalei, Logovii, Treasurer

May 29, 2009

Appendix A

Accounts Payable Staff

The following are brief descriptions of the responsibilities of the Accounts Payable staff.

- Accounts Payable Manager has the responsibility to ensure all payments are accurate, legal and in accordance with the Procurement Act. The AP Manager oversees the entire division, Travel section included.
- Accounts Payable Supervisor is responsible for overseeing GSA payments, reviewing outstanding purchase orders, and reconciling contract retention. The AP Supervisor also checks accuracy of all AP batch proofs and supervises the AP staff.
- Travel Supervisor ensures all travel requests are in compliance with ASG regulations and reviews the accuracy of per diem calculations. The Travel Supervisor must also identify travelers with balances owed and take appropriate action.
- Staff Accountant enters all payment vouchers into the IFAS system and runs batch proof reports for AP Supervisor's verification and other accounting duties.
- Accounts Payable Technician receives and logs all AP documentation, performs a 3-way matching and prepares AP vouchers.
- Travel Technician calculates per diems based on itineraries, refer travel advances (TA) to appropriate offices for required approvals, prepare payment vouchers and enter TAs into the system. This individual also updates travel files and reconciles prepaid accounts on a monthly basis.

Appendix B

Travel Authorization (TA) – Routing Procedure

Purpose and Scope of Procedure

The ASG Travel Authorization form shall be used to request travel and authorize the same. Internal controls are placed to ensure travel is essential to the transaction of official business of the American Samoa Government and that grant funding is in compliance with federal regulations.

1. Department submits TA to Travel Office within 30 days of travel
2. Travel Office assigns R# and TA#
3. Travel Office keys TA into system (Workflow)
4. TA is routed to the Treasury Grants division. Grant analyst responsible for the account verifies sufficient funds, allowable cost, and accuracy of TA then approves on Workflow (WF). TA is routed to Budget Office.
5. Budget Director signs off on TA. Budget analyst encumbers TA amounts. Budget supervisor approves on WF and forwards TA to the Governor's Office (GO).
6. The Governor or Lt. Governor approves TA by signature. GO stamps receiving date on TA and forwards TA to Treasury.
7. Treasurer signs off on TA. Treasury designee verifies accuracy of TA and approves on WF. TAs are logged and returned to Travel Office for processing.
8. Travel Office prepares TA for Accounts Payable grant and/or local payment run.

Note:

- A letter of explanation from the department director must accompany TA if not submitted within 30 days of travel. Treasurer must approve prior to submission to the Travel Office.
- Any TA charged to a local account goes directly to the Budget Office then to the GO. Budget analyst verifies sufficient funds, allowable cost and accuracy of TA. Budget Director signs off, analyst encumbers amount and supervisor approves on WF. GO forwards to Treasury.
- If TA has discrepancies:
 - Changes are made on the paper TA and returned to Travel Office for changes on WF. TA is then re-routed for WF approval.
- If TA is denied:
 - Notification is sent to department with copy of TA. Copy of notification and original TA is filed with the Travel Office.
 - Budget Office is notified to disencumber TA.

Appendix C

Travel Expense Report (TE) – Routing Procedure

Purpose and Scope of Procedure

To ensure government funding is used for travel essential to the transaction of official business of the American Samoa Government, all ASG travelers are required to file a travel expense report. The ASG Travel Expense Voucher forms shall be used to report travel expense to the Department of Treasury Travel Office. See Travel Policy Section 3.2 for required documentation.

1. Traveler files expense report with the Travel Office.
2. Travel Office logs expense reports submitted and attaches TA backup to TE report.
3. TE batches are forwarded to General Accounting for review.
4. General Accounting designee signs off and accepts TE batch. TE batch is checked against outstanding TE list.
5. Designee distributes TE reports to staff accountants.
6. Staff verifies receipts against per diem advanced. If ASG owes, TEs are forwarded to the Travel Office for reimbursement processing. If traveler owes, staff contacts traveler to explain adjustments and receive authorization for payroll deduction. TEs are forwarded to the Travel Office for payroll deduction processing.
7. Designee confirms amounts owed to ASG and calculates payroll deduction.
8. Batches are forwarded to the Travel supervisor.
 - a. TEs with zero balances are filed.
 - b. TEs with reimbursement amounts are processed for payment with Account Payable.
 - c. TEs with amounts owed to ASG are processed for payroll deduction with Payroll. Deduction occurs the following pay period and every pay period until the amount is paid back in full.



DEPARTMENT OF TREASURY

AMERICAN SAMOA GOVERNMENT

PAGO PAGO, AMERICAN SAMOA 96799

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HON. TOGIOLA T.A. TULAFONO
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HON. FAOA A. SUNIA
LT. GOVERNOR

MAGALEI LOGOVII
TREASURER

UELIGITONE TONUMAIPA
DEPUTY TREASURER

Serial No.: 121-09

April 8, 2009

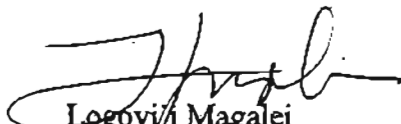
To: ASG Directors
From: ASG Treasurer
Subject: Travel Reimbursement

While reviewing travel authorizations, it has been brought to my attention that some trips receive reimbursements for travel from the hosting grantee. Please remind your employees that forms for reimbursement must have ASG as the addressee. We have come across situations where the employees submitted their own personal information for reimbursement.

Please be informed Treasury will not hesitate to take the reimbursement amount from the employee's paycheck nor will we negotiate how much we will deduct. We will also prohibit the individual from ever traveling for ASG again.

We appreciate your cooperation and assistance.

Thank you,


Logovii Magalei
ASG Treasurer



DEPARTMENT OF TREASURY

AMERICAN SAMOA GOVERNMENT

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GOVERNOR

HON. FAOA A. SUNIA
LT GOVERNOR

MAGALEI LOGOVI
TREASURER

UELIGITONE TONUMAIPE'A
DEPUTY TREASURER

Serial No: 113-09

To: All Travel Agencies
From: ASG Treasurer
Date: March 31, 2009
Subject: Routes on Itineraries

Please be advised effective April 01, 2009, ASG Treasury will only pay for itineraries essential to the transaction of official business of the American Samoa Government. ASG employees are to take direct routes to and from their meetings. Any side trips not related to official government business will be the responsibility of the traveler and not ASG.

For example, if a traveler has a meeting in Fort Lauderdale, FL and travels from Honolulu to Houston to Fort Lauderdale, the return trip should be the same. However, if the traveler decides to fly to Chicago from Fort Lauderdale, then to Houston and Honolulu, the extra leg should be paid for by the traveler. The same goes if the traveler flies to Chicago and then on to Honolulu. I reiterate again, ASG will not pay for any personal trips. If the traveler had another government meeting in Chicago, then ASG will pay.

We are currently tightening our internal controls with regard to government travel and appreciate your cooperation.

If you have any questions, feel free to contact the following Treasury staff members: Alapasa Tuato'o (Grants Manager), Siafaga Pearson (AP Manager) or Carrie-Lee Magalei (Senior Accountant).

Respectfully,


Logovi T. Magalei